

---

## Medicaid Pharmacy Program

*The following information is a summary of state statutes and administrative rules related to pharmacy benefits in the state's Medicaid program. This summary does not include all of the details of the state's pharmacy program which are developed and implemented as part of the state's Medicaid plan under Title XIX of the Social Security Act, 42 CFR 430.10. (Some of these details include reimbursement policies, eligibility etc.) The state's pharmacy program under the state's Medicaid plan will be discussed by the Department of Health and summarized in a separate document.*

---

### **Title XIX of the Social Security Act Medical Assistance Program 42 CFR 430.10**

- As a condition for receiving funds under the act, the state Department of Health agrees to administer the Medicaid program in accordance with the provisions of the state plan. In addition, the Dept. of Health is the single state agency designated to administer the program.

### **Utah Code Section 26-18-2.3**

- This section gives the Division of Health Care Financing in the Dept. of Health the general authority to implement a Medicaid drug program in accordance with:  
federal Medicaid laws;  
Section 26-18-2.4; and  
Section 58-17b-606.

### **Utah Code Section 26-18-2.4**

- Requires a Medicaid drug program to be based on clinical and cost related factors which include medical necessity as determined by a provider in accordance with rules established by the Drug Utilization Board;
- Authorizes the creation of a preferred drug list, except for psychotropic or anti-psychotic drugs;
- Permits a health care provider to override the restrictions of a PDL provided that the medical necessity is documented in the patient's file and the script includes the hand written words "medically necessary - dispense as written."

### **Utah Code Section 58-17b-606**

- This pharmacy practice act provision prohibits the Department of Health from establishing a restrictive drug formulary, and requires the use of generic drugs when they are available. The requirement for a generic drug may be waived by the department if the generic drug offers no savings to the state.

### **Utah Code Sections 26- 18-103 and the Federal Omnibus Reconciliation Act of 1990**

- In 1993 the Federal government required states to develop prospective and retrospective drug utilization review in an effort to promote patient safety by providing increased review and awareness of outpatient prescribed drugs. State code established the DUR Board with the responsibility to process and review Medicaid drug claims

based on predetermined criteria and standards established by the board. State statute establishes guidelines for the criteria and requires periodic reporting.

**Utah Code Section 26-18-105**

- Authorizes the DUR board to establish a drug prior approval program with the limitation that no drug may be placed on prior approval for other than medical reasons. The statute gives certain notice requirements for placing a drug on prior approval, creates an override process, and requires dispensing a 72 hour emergency supply of a non-prior approved drug. This statute does not restrict prior approval of psychotropics or antipsychotics.

**Utah Code Section 31A-29-113.5**

- This provision in the Utah High risk pool for uninsurable people is not part of the Medicaid drug program. However, it illustrates the use of the 340B drug program which provides substantial savings for certain types of drugs, or for patients of certain federally designated clinics. This statute created a pilot program for the HIP pool which gives enrollees with bleeding disorders access to the University of Utah's clinic for bleeding disorders which is a federally qualified 340B drug program. The enrollees are able to obtain reduced cost drugs.

**Administrative Rule 414-60  
Policy For Pharmacy Copayment  
Procedures**

- This rule incorporates the state plan by reference and gives some general guidelines on eligibility for the drug program, program coverage, limitations for drug coverage such as 30 day supplies, requirements for step therapy, reference to prior approval under the DUR, and a seven prescription limit with a review if the limit is exceeded.

**Proposed Rule 414-60B  
Preferred Drug List**

- Establishes a Pharmacy and Therapeutics Committee to give the Division of Health Care Financing technical and professional advice for the creation of a PDL for certain therapeutic classes of drugs. The Division establishes and implements the scope and therapeutic classes of drugs. Preferred drugs are dispensed without prior authorization. Non-preferred drugs are not dispensed unless the medical provider writes "medically necessary- dispense as written."